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Missed Opportunities for Children?:An Exploration of the Impact of New Funding Mechanisms for Early Childhood Education and Care (ECEC) in Ireland

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Missed Opportunities for Children?

An exploration of the impact of new funding mechanisms for Early Childhood Education and Care (ECEC) in Ireland

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Presentation Overview

- 3 Parts
 - **Part One:** Context: Ireland's Growth - ECEC as an Issue for the State
 - **Part Two:** Community Childcare Subvention Scheme (CCSS): Details and Analysis
 - Affordability, Access and Quality
 - **Part Three:** Stakeholder Reaction & Influence
 - **Summary**

PART ONE

CONTEXT OF ECEC EVOLUTION IN IRELAND

The background of the slide features several overlapping, wavy, horizontal bands of color. From top to bottom, the colors are light blue, green, and yellow. These bands flow from the left side of the slide towards the right, creating a sense of movement and depth.



Ireland's Celtic Tiger

- Economic Growth: GDP avg. 7.9% 1994 – 2002
 - Highest GDP growth in any OECD country (Bennett, 2006)
 - Female Employment (30% 1926-1981)
 - 40% in 1994 → 58% in 2005 (Sweeney, 2006)
- Structural Influences on ECEC Policy in Ireland
 - Membership of EU
 - Equality Measures; Lisbon/Barcelona Targets;
 - Social Change: Lift marriage bar; contraception; divorce
 - Ratification of the UNCRC '92
 - National Social Partnership Process
 - OECD: Review of ECEC in Ireland



ECEC Provision in Ireland

- OECD Assessment
 - Access, Affordability & Quality Inadequate (OECD 2004)
- Informal: Unregulated; Poorly paid
- Formal: High Cost; Regulations since 1997
 - Private Providers
 - Community Providers: Community & Voluntary (C&V)
 - Cost: Avg. Production Employee gross wage; Japan 8%; Austria 5%; Ire 20% (OECD, 2003)



Evolution of ECEC Policy

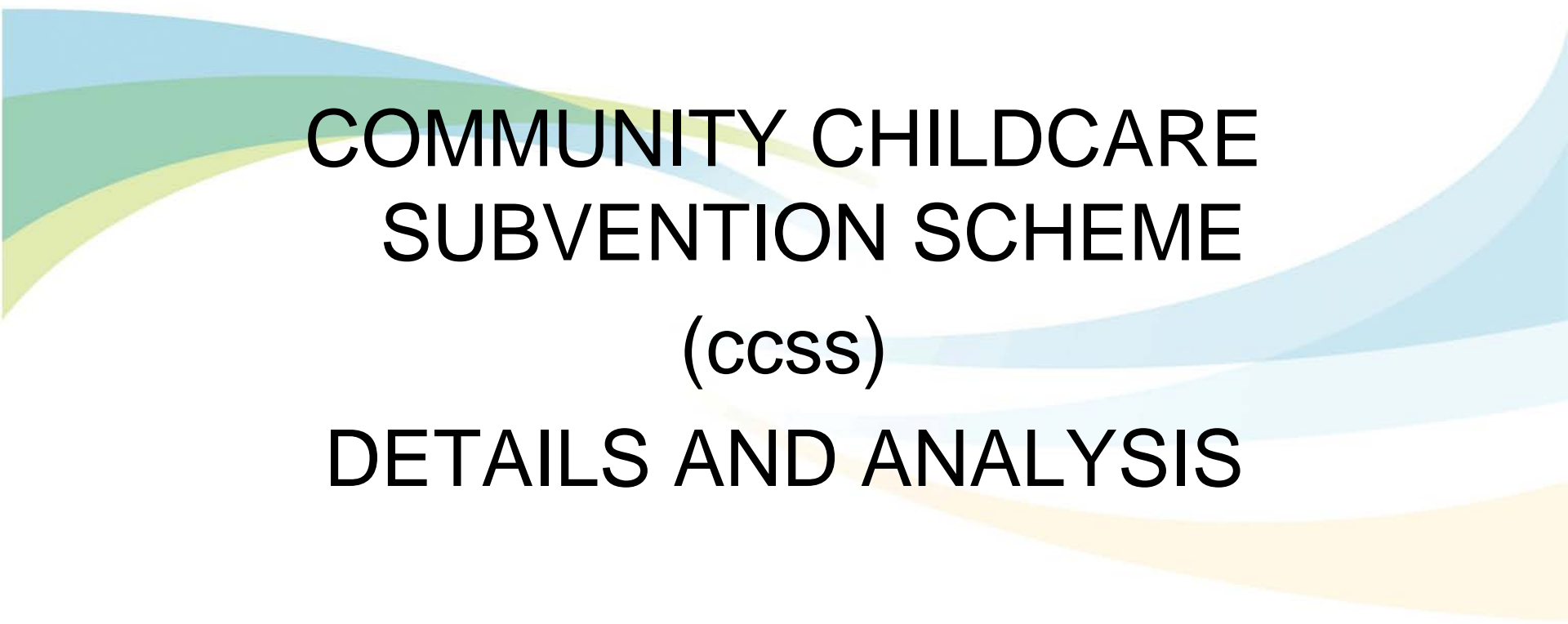
- Multiple Agendas influencing Policy in 1990s
 - Employment; Equality; Children's Rights; Family & Carers; Education; Social Inclusion; Health (Hayes & Bradley, 2006)
- National Partnership Agreements
 - “Towards 2016” reference UNCRC (Hayes & Bradley, 2007)
- Tools of Implementation Selected Reflect ‘Principle of Subsidiarity’ (non-state involvement)
 - Traditionally church provide services of public good (e.g., health, education) now utilising private sector and community and voluntary (C&V) sector to deliver services (Daly & Clavero, 2002)

Funding ECEC

Community Providers	Private Providers	All Parent (cash)
EOCP/NCIP Subsidy		ECS €1100 p.a. child under 6
Active Labour Market Programmes (ALMP)		<i>Rebranded</i> Child Benefit €1992 p.a.
Low % Fee Income	100 % Fee Income	
EOCP/NCIP Capital €1m	EOCP/NCIP Capital €100,000	

- National Investment Programme €575m; 50,000 places target
- Equal Opportunities Childcare Programme 2000 – 2006
- Shift to Exchequer Funding – NCIP 2007- 2010
 - **Subsidy** changed from **Staffing Grant** (cover staff costs up to €90,000) to **Subvention** (based on parental welfare entitlement)
- *Objective*: Review new mechanism of providing **Subsidy** to assess impact on Access, Affordability and Quality
 - EU Criteria: parents work, education, training
 - €500m; 41,000 places (OMC)
 - Capital Grants (community/private); Staffing Grant (Community)

PART TWO



COMMUNITY CHILDCARE SUBVENTION SCHEME (ccss) DETAILS AND ANALYSIS



The New Community Subsidy

- Community Childcare Subvention Scheme (CCSS)

Additional €30 per f/t baby – reduced pro-rata	Band A	Band B	Band C
Full Day 5hr+	€100	€70	€45
Part-time 3.5-5hr	€50	€35	€22.50
Shorter hours 2.25-3.5hr	€33	€23	€15
Half Session less 2.5hr	€16	€11	€7.50

Source: <http://www.dublin.ie/Childcare/subvention-one.htm>

- **Band A:** In receipt of most social welfare payments
- **Band B:** Family Income Supplement & some training schemes.
- **Band C:** Some discretion by Provider, e.g., holder of medical/GP visit card [but no real understanding of how much discretion can be used]



CCSS- A Shifting Subsidy Approach

- Purcal & Fisher (Affordability Funding Model) (2006)
 - 3 Possible Approaches to increase Affordability:
 - Operational Subsidy
 - Fee Subsidy (paid to parent or service provider)
 - Tax Relief

Shift from Operational to Fee Subsidy

- State's Expected Outcomes (OMCYA press releases)
 - **Eligibility:** more limited criteria
 - **Discretion** about access to service reduced
 - **Reduced cost** to eligible parents & increased cost to ineligible parents using service
 - **Stimulate demand** amongst parents in receipt of welfare

Analysis: Affordability Funding Model

- Cost to Government
 - **Open Budget:** Expensive in times of economic downturn
 - **Administration Expense:** parents & providers requirements
- Affordability to Families
 - **No Cap of Balance Paid by Parents:** operational costs mostly fixed as labour intensive. If number of children using service reduce, remaining children must bear additional cost between them

Example:

Costs of €312,000/40 children = 7,800 p.a. less subvention (€5,200) = €2,600 fee

Costs of €295,000/32 children = 9,219 p.a. less subvention (€5,200) = €4,019 fee

- **Monitoring Charges/Costs:** if scheme extended to allow parents access private providers – can costs/charges be tracked by OMCYA?



Impact on Access & Quality

Access

- **Neutral Impact Existing Users:** Reduced fee, continued use.
- **Demand increase/decrease?** (ineligible leaving > new eligible)
 - **YES:** Reduced Supply: As facilities may close
 - **NO:** Capacity to Incr. Supply? Waiting lists & reduced capital funds. (DCCC, 2007) Extend to Private Providers?
- **Practical Barriers to Access**
 - Admin complexity: may discourage eligible families
 - Issues of privacy: as staff gathering info from local area too

Quality

- **No Link to Quality:** No quality criteria attached to Funds (Siolta, 2006)
- **Segregation:** access to less diverse range of children; reduced social mix in services
- **Staff:** services remain dependent on ALMP p/t trainee staff

PART THREE

STAKEHOLDER REACTION & INFLUENCE



C & V Reaction to the CCSS

- **City & County Childcare Committees (*Representative & Co-ordinating Organisation*)**
 - Role: Mediator of Scheme on behalf of OMCYA
 - Submissions to Office of Minister for Children and Youth Affairs [focus on technical elements, case-studies, potential negative fall out]
- **Irish Childcare Policy Network (*Campaign /Advocacy Org*)**
 - Submissions [Address rationale and limiting definition of disadvantage to income/welfare entitlements]
- **Planet – Nat'l Org'n rep Area Based Partnership Companies (*Campaign/Advocacy Org*)**
 - Submissions [how runs contrary to national policy & potential pitfalls]
- **Community Providers (*Resource & Service Provision Org*)**
 - Media focus on individual circumstances
 - Limited Parental/Child Focus (e.g., Special Needs)
 - Individual representation to the OMCYA re: sustainability (relationship building)



Other Reaction to the CCSS

- Trade Union: Mobilising workers & advocating on behalf of parents for affordability
 - *“Because we were not well organised previously, major changes were made to funding without negotiation. We cannot let this happen again; for the sake of children, workers and projects.”*
(Aug 2008, SIPTU Community Branch, Community Childcare Campaign)
- Media Headlines: Highlight potential negative impacts
 - “Childcare funding a 'banana skin'”. Irish Independent 1/11/07*
 - “Two-tier care system feared”. Irish Independent. Dublin (26/10/07).*
 - “Childcare facilities face closure unless subvention scheme changed” Sligo Champion 27/12/07)*
 - “Funding threat to childcare services Crèche funding”. Irish Times. McGreevy, R. (13/12/07)*
 - “Fianna Fail faces revolt over 'flawed' childcare plan” Irish Independent. Sheahan, F. (29/10/07)*



Stakeholder Ability to Influence

- C&V operating in an Environment of Change

“... a significant shift from the EU to the Exchequer as the source of much funding; the replacement or restructuring of several relevant Government Departments and agencies; the establishment of several new funding sources; the growth of philanthropy; the increasing professionalisation of fundraising; and the increased engagement of the sector with the business community.”

(Keenan, 2008, p. 6)

- C&V supported by State to provide services

- Can you advocate against the body that funds you?
- Key Documents Advise: more formal definition of the relationship between government agencies and C&V Sector needed

- Fragmented approach to utilising the Media to advocate
- Conflict of Interest with TU as also an employer

Summary

- Have we missed our opportunity to invest effectively in ECEC as we face into a period of fiscal constraint?
- *ECEC Support Mechanisms*
 - *Below avg. investment* in ECEC continues
 - *No State service provision*, private sector & C&V utilised
 - *Cash payments made to parents* to enable choice, can not track how much of this investment goes into ECEC
- CCSS
 - More *restricted criteria* for disadvantaged children to access services
 - ***Children's Rights, Needs or Entitlements not considered*** as parental welfare/employment status is criteria used to evaluate access of vulnerable children
 - No conditions attached to funding in relation to *Quality* of service
- Advocates for Change
 - C&V restricted in its role as *advocates*



Thank You